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'JUN 2 7 1994' Before the FEDERAL COMMUNICATIONS COMMISSION FEDERAL COMMUNICATIONS COMMISSION Washington, D.C.

In the Matter of

Implementation of Sections of the) MM Docket Nos. 92-266, 93-215 Cable Television Consumer Protection and Competition Act of 1992: Rate Regulation

## REPLY TO COMMENTS ON PETITIONS FOR RECONSIDERATION

The Office of Communication of the United Church of Christ hereby submits the following Reply Comments in the above captioned proceeding in response to Comments on the Petition for Expedited Reconsideration, filed May 16, 1994, concerning certain rules affecting the launch of new cable television programming services.

## INTEREST OF THE OFFICE OF COMMUNICATION

The Office of Communication of the United Church of Christ has a long history of public interest advocacy before the Commission. The Office of Communication of the United Church of Christ is the national communications agency of the 1.6 million denomination, a 1957 union of the historic Congregational Christian Churches and the Evangelical and Reformed Church. For more than three decades, the Office of Communication has participated in FCC proceedings, defending First Amendment principles and the rights and interests of minorities, women and consumers. United Church of Christ congregations are concentrated mostly in cities and suburban areas and tens of thousands of the Church's members subscribe to cable television.

THE GOAL OF RATE REGULATION SHOULD BE TO ENSURE THE AVAILABILITY OF NEW PROGRAMMING AT JUST AND REASONABLE RATES

The Office of Communication agrees with the summary statements

made in the Petition for Expedited Reconsideration filed by Dr. Everett C. Parker and Henry Geller to wit:

Consumers have a vital stake in the administration of the Cable Television Consumer Protection and Competition Act of 1992. Certainly no consumer interest is more important than the preservation and expansion of programming choices. It is only through such expansion that the medium will help ensure the promise that all voices in our society be heard, and all those with something to say will have a speakers' platform. Consumers will be short changed to the extent this fundamental purpose of the Act is overlooked.

<u>Petition for Expedited Reconsideration</u>, MM Docket 92-266, 93-215 filed May 16, 1994, Summary page ii.

The Office of Communication has firmly placed itself on record as favoring rate regulation of cable services in the interest of ensuring affordable service for less affluent persons who have little alternative access to educational and entertainment programming. On the other hand, any effort to ensure affordability should not preclude the new and diverse sources of programming - especially, programming that is educational and responsive to the critical informational needs of local communities and underserved market segments.

If new channels are to be offered to the public, then the Commission must make it economically viable for new channel capacity to be constructed. Likewise, if niche programming is not to be stifled, but rather encouraged, then there must be a modification in the current incentive structure for programming services so that all may compete on an equal basis.

Petitioners Parker and Geller have suggested that the Commission allow certain upgrade costs to be passed through to consumers as external costs, provided local franchising authorities

agree. The Office of Communication has long supported the concept of local decision-making as being the most appropriate when determining cost of service versus the local need for that service. We would, therefore, be supportive of this potential solution.

The Commission should devise a rate structure that does not reward expensive service providers over services such as C-Span, a public service arts channel such as Horizon, or a religion channel such as Faith and Values. A rate structure that allows a pass-through of a value equal to the average price for existing networks may be a better solution than the current percentage of the licensing fee approach.

The goal which the Office of Communication would like to achieve and which the Commission should strive for is a level playing field that will assure that new services and channels will be offered to the public, that niche programming will be given equal opportunity to be seen. Above all, just and reasonable rates for these services must continue and be maintained.

Respectfully Submitted,

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